

IMPORTS BY JAPAN STILL OVER EXPORTS

Economic Conditions Helped by Increased Sales of Silk at Better Prices.

WASHINGTON, Dec. 9.—Some improvement in economic conditions in Japan has been brought about by increased silk exports at better prices and the revival of the cotton industries, the Commerce Department said in a survey to-night. The foreign trade of Japan, however, it was added, continues to show imbalances in excess of the value of exports. Official estimates put the total of Japan's international accounts payable for the calendar year at about \$250,000,000, of which the excess of imports over exports will reach about \$175,000,000 for Japan proper, exclusive of \$75,000,000 for Formosa and Korea. Another large item, it was added, is the payment for British and French bonds and other securities bought in consequence of the favorable exchange rates and the slackness of the domestic money market and the industrial stagnation.

These accounts, it was explained, will be offset by invisible exports arising from shipping charges, remittances from Japanese abroad and similar sources to the extent of about \$100,000,000, leaving an excess increase of Japan's private indebtedness to the rest of the world during the year 1921 of about \$150,000,000. Japan's budget for the fiscal year 1922-23 is reported to total \$881,000,000, an increase of \$40,500,000, or 4.6 per cent., over 1921. All departments show increases, except the Foreign Office with \$1,500,000 less and the Navy Department with a decrease of \$11,500,000, or about 4.6 per cent.

APPLICATIONS TO LIST.

Application has been made to the New York Stock Exchange to list the following securities: Island Oil and Transport, \$3,209,510 additional voting trust certificates for common stock; Maxwell Motor, \$20,000,000 of 8 per cent. noncumulative preferred stock and 800,000 shares of common stock; Invincible Oil, \$5,651,000 of ten year 8 per cent. sinking fund convertible bonds; Weyman-Bruton, \$1,324,800 of additional common stock.

CUBA BANK PAYS 60 PER CENT.

The first return to depositors in the New York branch of the National Bank of Cuba since last April, when the affairs were taken over by the State Banking Department for purposes of liquidation, has been made in the form of a 60 per cent. dividend. Another dividend is expected to be paid soon and the liquidators look for a payment of deposits in full eventually.

RAIL LIGHT AND POWER MERGER IN SPRINGFIELD

Illinois Holders Are Asked to Assent to Combine.

A consolidation of several subsidiaries of the Commonwealth Power, Railway and Light Company is proposed as a means of helping the Springfield (Illinois) Consolidated Railway Co., one of their number. Springfield Consolidated first mortgage bondholders have been asked to deposit bonds in exchange for the bonds of the consolidated company or for cash on a 99 per cent. basis.

The Springfield Consolidated has a franchise which will expire in 1925, five years prior to the maturity of the bonds. To meet its franchise requirements, extensions will have to be made. About \$750,000 will be required in the next few years and the closed mortgage prevents the raising of these funds. It is proposed, therefore, to link up the properties of Springfield Consolidated with those of the Springfield Gas and Electric Company, as well as the electric and heating properties in De Kalb and Sycamore, Ill.

The intention is to issue \$5,000,000 first mortgage bonds and \$5,025,000 of two classes of stock. Bond holders for each \$1,000 a new \$1,000 first mortgage bond of the Illinois Power Company, the consolidated concern, and \$100 in cash. As an option, stock bondholders will be allowed to take \$500 worth of their present bonds; large holders have indicated their acceptance of the plan.

STATE BANK DECLARES BONUS FOR EMPLOYEES

Metropolitan Trust Elects Assistant Treasurers.

The second Christmas bonus to be declared by New York financial institutions was announced yesterday by the State Bank and the State Safe Deposit Company, to be paid to officers and employees based on length of service. Ten per cent. of annual salaries will be paid to those who have been in service one year, and the percentage increases up to 25 per cent. for those who have been with either institution ten years or more.

Bank dividends declared included an extra dividend of 4 per cent. in addition to the semi-annual dividend of 6 per cent. by the State Bank, both payable January 3 to stock of record December 15; regular semi-annual dividend of 25 per cent. by the United States Trust Company, payable January 3 to stock of record December 15; regular quarterly dividend of 2 1/2 per cent. payable December 31 to stock of record December 20, by the Hudson Trust Company.

Official changes announced were the election by the Metropolitan Trust Company of E. C. De Valhner, H. P. Corwin and A. L. Balnes as assistant treasurers, and the election by the Hudson Trust Company as treasurer of Robert M. Baldwin, who succeeds John J. Broderick, resigned.

VOLUME OF HOLIDAY TRADE SHOWS GAIN

Money Value of Retail Sales Not Up to Last Year—Buyers Are Economical.

The contrast between a retail trade increasing owing to the more seasonable weather and the approach of the holidays and a wholesale and jobbing trade quieting down for the inventory period is pictured by the trade reviews. Buying from retailers, however, is irregular.

"As a whole," Bradstreet's says, "holiday trade in money value does not seem as yet to measure up to that of a year ago, though if price differences are considered, the discrepancies in volume are not serious. In fact, an actual gain is not possible. Even in regular retail trade, however, mild weather, particularly at the South, has held down trade. 'Concessions in some lines of heavy wearing apparel seem to be featured in a number of cities. In industry counter currents are visible also, as latest returns of production of coal, coke, lumber with the loadings of railroad cars, tend to decline. Iron and steel output seems well maintained, while wool consumption and building operations continue to gain in activity compared with outputs earlier in the year, but especially when compared with the low water mark months of midsummer."

Dun's Review says in part: "Interest in commercial movements now centres more on probable developments in the coming year than on current fluctuations in business. The season is at hand when not much in the way of activity is to be expected in wholesale circles, and retail distribution, although of large volume in the aggregate, lacks the momentum and breadth noted in some other holiday periods.

"Evidence of economy and discrimination in buying, with a decided preference shown for stable and useful merchandise, reflects alike the diminished consuming power and change in purchasing policy, and dealers are shaping their action accordingly. Relatively low prices for farm products tend to restrict the absorption of goods in agricultural sections, while unemployment of workers serves to limit demands in manufacturing districts. With allowance for the various unsatisfactory phases, however, the outlook is clearly more encouraging."

NORTH AMERICAN SURPLUS.

The North American Light and Power Company for the twelve months ended October 31 reports a surplus of \$32,023 after charges on taxes. Gross earnings were \$3,565,326 and operating expenses and taxes \$2,565,701. Interest, dividends of controlled companies, depreciation, etc., reduced the net to \$362,529, from which were deducted dividends of \$38,478.

FIGHT ON AMERICAN VALUATION GROWS

Merchants and Manufacturers of All Sections Send Protests to Congress.

Special Despatch to THE NEW YORK HERALD. New York Herald Bureau, Washington, D. C., Dec. 9. Apparently inspired by the President's address to Congress last Tuesday, members of Congress were bombarded today by letters and petitions from leading merchants and manufacturers of all sections of the country urging radical changes in the section of the Fordney Tariff Bill, which deals with the American valuation plan.

One of the largest department stores in New York says that the American valuation plan as it stands to-day would "increase prices, aggravate foreign exchange depreciation, and reduce foreign buying to guesswork. Furthermore, it will prevent the international exchange of raw material and discriminate against American farmers and labor. We favor a liberal protective tariff on foreign valuation, preferably straight out tariff duties."

A large publisher voices his protest to the American valuation plan in these words: "We believe that it would be disastrous in the extreme to put the American valuation plan as written in the Fordney bill into effect."

"While the foreign countries would surely be deprived of their only way of paying for our products, on account of the decreasing imports, the passage of this feature of the tax bill would be detrimental to the interests of the American people at large, who will find no European market for their goods, and with wages coming down where would be the wisdom of the American valuation plan?"

Because of the renewed agitation and pronounced opposition to the plan there is a strong likelihood that Chairman Penrose of the Senate Finance Committee will reopen hearings on that section of the Fordney bill. A strong appeal has just been made to have the hearings reopened by the National Dry Goods Retail Association. Spokesmen for that organization are anxious to add their protest.

RICHMOND RATE NOW 5 P. C.

Federal Reserve Bank Makes Second Cut in Year.

RICHMOND, Va., Dec. 9.—The board of directors of the Federal Reserve Bank of Richmond to-day authorized a reduction in the discount rate from 5 1/2 to 5 per cent.

The 6 per cent. rate, effective the first of the year, was reduced to 5 1/2 per cent. about three months ago.

AUTOMOBILE INDUSTRY NOW HEADING UPHILL

Shipments Increased in November, First Time in 1921.

The automobile industry has passed the bottom of business depression and is heading upward, according to Automotive Industries. This periodical states that November was the first month of the year to show an increase of shipments as compared with corresponding months of 1920.

"While there was a seasonal decline as compared with October," says the review, "the falling off was not so great in proportion as it was in 1920. As December opens the outlook is more encouraging than it was expected to be a fortnight ago. The volume of sales, chiefly because of the good demand for enclosed cars, will approximate in dollars the business for October. The stability of the industry is indicated by the fact that October was the eighth consecutive month to show only a slight variation in the volume of business done by the parts and accessory makers."

SHORT 10,712,000,000 LIRE.

Italian Treasury Statement Better Than Expected.

ROME, Dec. 9 (Associated Press).—According to the Treasury's financial statement the deficit for the financial year of 1920-21 amounts to 10,712,000,000 lire, instead of the estimated 12,141,000,000. This was due to the fact that although expenditure increased, the revenue yield amounted to 18,071,000,000 lire, instead of the estimated 18,066,000,000.

The estimated deficit for the year 1921-22 is approximately 5,000,000,000. For the financial year 1922-23, which will be the first budget from which direct war expenditure will be almost completely eliminated, it is hoped that the deficit will be reduced to 3,000,000,000 lire.

The Minister of the Treasury gave figures showing the measures taken to reduce the paper money in circulation. Dealing with the trade balance, he announced that in the first eight months of the current year imports amounted to the value of 9,797,000,000 lire and exports to 4,872,000,000, which constituted a remarkable improvement as compared with last year.

DETINING SURPLUS UP.

The Vulcan Detinning Company reports for the quarter ended September 30 net surplus of \$16,365 after charges, compared with \$1,672 in the preceding quarter and with \$75,663 in the corresponding quarter of last year. Sales totaled \$321,445 and expenses \$328,168. Other income was \$3,166 and reserves \$13,078.

EXPORTS FROM NEW YORK.

Exports from New York yesterday: Wheat, bushels, 10,901; barley, bushels, 10,037; oil, sacks, lbs., 4,522,000; corn, bushels, 80,785; flour, sacks, 5,000; lubricating oil, gals., 4,000.

FRANCE AND SPAIN SEE ECONOMIC WAR

Threat to Close Frontiers in 24 Hours Is Made in Paris.

Special Cable to THE NEW YORK HERALD. Copyright, 1921, by THE NEW YORK HERALD. New York Herald Bureau, Paris, Dec. 9.

"France has made her final economic concession to Spain and an economic war, the end of which cannot be foreseen, seems inevitable."

In these words an important member of the Ministry of Commerce made known to THE NEW YORK HERALD correspondent here France's ultimatum to Spain, that unless the Madrid Government "climbs down" in the next twenty-four hours the frontiers here will be closed to all commercial transactions with Spain at midnight Sunday.

"The underlying cause of the whole trouble is German propaganda," he continued. "Germany having deposited large funds in Spain, considering that country a possible point d'appui in any attempt at world commercial superiority."

The French Chamber of Deputies is watching developments in this connection without fear, certain Deputies declaring that Spain will be the loser. They are confident that conditions there will necessitate a change of ministry and the signing of an equitable agreement with France not later than the end of next month.

Whether similar action will become necessary in connection with Italy is uncertain, the French believing that her commercial discord with her southern neighbor will gradually be settled without recourse to extreme action.

MADRID, Dec. 9 (Associated Press).—Following a meeting of the Cabinet Ministers to-day it was stated that a break in the commercial relations between Spain and France would take place Saturday at midnight, as a result of the failure to agree upon a new commercial treaty to take the place of the one then expiring.

The Government is studying methods to bring about new negotiations with the Paris Government with a view to arranging another treaty at the speediest possible moment.

SPAIN GETS RAIL EQUIPMENT.

MADRID, Dec. 9.—The first consignment of German locomotives for Spanish railroads has reached Spain. They are undergoing trials preparatory to being placed in the service of the Southern Railway. Passenger coaches ordered from the United States are expected within a short time. After their arrival express passenger service, suspended since the war, will be resumed.

HYLAN TALK SCARES TRACTION HOLDERS

Bond Expert Warns Against Sacrifices Because of Bugaboo

Mayor Hylan's declaration recently that the present surface lines and elevated roads in New York should be scrapped and replaced by additional buses and more subways has precipitated a wave of selling among the small holders of the underlying bonds and, in many cases, the securities have been dumped out with little regard for value, according to William Carnegie Ewen, specialist in traction securities.

Mr. Ewen said that it is "fundamentally wrong to frighten the people who own these securities" without telling them also that these bonds are first mortgages on properties "worth intrinsically more than the face value of the mortgage, and that they must receive consideration in any reorganization."

"These old bonds," he said, "held in the main by people far past middle age, are being hurried about Wall Street now at 20 to 40 cents on the dollar for those in default, and at 60 cents on the dollar for those on which interest is being paid. It is a crying shame that many people who are in a measure ignorant of financial affairs should be led astray by thoughtless statements that the lines will be scrapped."

Mr. Ewen challenged assertions that surface lines could not compete with subways, citing illustrations to prove his point. Notwithstanding the opening of the Lexington avenue subway north of Forty-second street in 1918, he said, the surface lines parallel to the subway carried more than \$1,775,000 passengers in the year ended June 30, 1920, compared with a little more than 25,000,000 in the year before the subway was opened. In Brooklyn, he asserts, chaos would result from the scrapping of the surface lines.

"The announced intention of the Transit Commission to proceed with a fair valuation of the properties," he continued, "should act as a deterrent to any holder of the bonds of these companies who has in mind sacrificing them for what they will bring. The Transit Commission or any other fair-minded body which examines the properties, in my opinion, cannot fail to recognize the validity of these bonds, the circumstances under which they were sold, the class of investors who now hold them and the fact that they were purchased in good faith as an investment, and to add the city in getting adequate transportation facilities."

Executors

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The Farmers' Loan and Trust Company

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Branch Office, 475 Fifth Avenue

At Forty-first Street

New York

London

Administrator

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Trustee

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